

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: October 5, 2005]²

Bill No. and sponsor: H.R. 1908 (Mr. Bob Etheridge of North Carolina)

Proponent name, location: Bayer CropScience, Research Triangle Park, NC 27709

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

N-Phenyl-*N*'-(1,2,3-thiadiazol-5-yl)urea (Thidiazuron) (CAS No. 51707-55-2), whether or not mixed with application adjuvants (provided for in subheading 2934.99.15 or 3808.30.15).

Check one: ☐ Same as that in bill as introduced
 ☒ Different from that in bill as introduced (see Technical comments section)

Product information, including uses/applications and source(s) of imports:

The product, thidiazuron, is a synthetic organic chemical used as a plant growth regulator and pre-harvest defoliant. It is usually applied as a formulation on cotton plants to defoliate and to inhibit re-growth, so there is less leaf stick, less green stain on the lint, and less risk of hot modules. This product is imported from China as the technical material and as the formulated product.

¹ Industry analyst preparing report: Ed Cappuccilli (202-205-3368); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

Total revenue loss for all HTS subheadings covered by H.R. 1908					
	2005	2006	2007	2008	2009
Customs revenue loss <u>1/</u>	\$439,400	\$439,400	\$439,400	\$439,400	\$439,400

1/ Revenue loss for 2005 and 2006 results from a current suspension of duty per heading 9902.01.53.

HTS subheading: <u>2934.99.15</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$3,380,000	\$3,380,000	\$3,380,000	\$3,380,000	\$3,380,000
Customs revenue loss <u>1/</u>	\$219,700	\$219,700	\$219,700	\$219,700	\$219,700

1/ Revenue loss for 2005 and 2006 results from a current suspension of duty per heading 9902.01.53.

Source of estimated dutiable import data: Industry estimates.

HTS subheading: <u>3808.30.15</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$3,380,000	\$3,380,000	\$3,380,000	\$3,380,000	\$3,380,000
Customs revenue loss <u>1/</u>	\$219,700	\$219,700	\$219,700	\$219,700	\$219,700

1/ Revenue loss for 2005 and 2006 results from a current suspension of duty per heading 9902.01.53.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Bayer CropScience (Proponent) William Hensley 202-756-3781	8/16/2005	No	No	No
AtoFina Cerexagri Charles Kitchin Fax: 703-527-2092	8/16/2005	No	No	No
BASF Corp. Greg Thies Fax: 202-682-9459	8/16/2005	No	No	No
Crop Life America Lawrence Norton Fax: 202-463-0474	8/16/2005	No	No	No
Dow/Dow AgroScience Lisa Schroeter Fax: 202-429-3467	8/16/2005	No	No	No
E.I. duPont Elaine Olsen Fax: 302-774-1398	8/16/2005	No	No	No
FMC Sidney McDaniel Fax:215-299-6954	8/16/2005	No	No	No
FMC Corp. Jerry Prout Fax: 202-956-5235	8/16/2005	No	No	No
Griffin Corp. James Whatley Fax: 800-248-5154	8/16/2005	No	No	No
Griffin Corp. Stephen Glennon Fax: 800-248-5154	8/16/2005	No	No	No
Syngenta Mike Blythe Fax: 336-632-6084	8/16/2005	No	No	No
Valent USA Robin Demouth Fax:925-256-2776	8/16/2005	No	No	No

Technical comments:³

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

The Commission notes that the two HTS subheadings referenced in the article description of the proposed duty suspension are not valid HTS subheadings. Moreover, there is already an existing suspension of duty on this product under HTS heading 9902.01.53. The Commission suggests that the new duty suspension be enacted using this heading number. This could be accomplished by deleting heading 9902.01.53, and by using that heading number for the new duty suspension in this bill.⁴ The new duty suspension should use the article description on page 1 of this report, which contains the two correct HTS subheading references, correctly italicizes the chemical name and provides a better scope of the article description.

⁴ Specifically, line 6 of the bill could be amended to read "...amended by striking heading 9902.01.53 and inserting in lieu thereof the following. . .". In addition, the heading number used in the bill, 9902.04.44, should be deleted and replaced with 9902.01.53.

109TH CONGRESS
1ST SESSION

H. R. 1908

To suspend temporarily the duty on Thidiazuron.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2005

Mr. ETHERIDGE introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To suspend temporarily the duty on Thidiazuron.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. THIDIAZURON.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following:

“	9902.04.44	N-Phenyl-N1-(1,2,3-thiadiazol-5-yl)urea (Thidiazuron) (CAS No. 51707–55–2), whether or not mixed with application adjuvants (provided for in subheading 2934.90.15 or 3608.30.15)	Free	No change	No change	On or before 12/31/2008	”.
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7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of the enactment of this Act.

